

**MINUTES  
STATE BOARD OF FINANCE  
FEBRUARY 21, 2006  
OFFICE OF THE OMB DIRECTOR  
STATE HOUSE ROOM 212**

Members in Attendance:

Auditor Connie Nass  
Charles Schalliol, OMB Director  
Treasurer Tim Berry

Also in Attendance:

Paul Lottes, Deputy Auditor  
Kirke Willing, Chief Deputy Treasurer  
Mary Burres, Auditor of State's Office  
Steve Stombaugh, Department of Administration  
Tony Armstrong, Budget Agency  
Mike Smith, Budget Agency

**CALL TO ORDER**

The meeting was called to order by OMB Director Chuck Schalliol.

**APPROVAL OF MINUTES**

Auditor Nass moved to approve the minutes from the December 20, 2005, meeting, Treasurer Berry seconded, and the minutes were unanimously approved.

**DESIGNATION OF A DEPOSITORY FOR PUBLIC FUNDS OF THE STATE**

At the request of Treasurer of State Tim Berry, pursuant to I.C. 5-13-9.5, the "Application for Designation as a Depository of Public Funds" was submitted to the Board for approval on behalf of Martin County Co-op Credit Union.

Treasurer Berry moved to approve the designation, Auditor Nass seconded, and the designation was unanimously approved.

**AVIATION CONSOLIDATION PLAN**

Director Schalliol opened the discussion by describing state government's aviation activities and how the operations can be carried out more efficiently by combining the plane and helicopter fleet and employees involved in operating the fleet. The request made today by OMB is to transfer funds from the agencies that use aircraft to the new aviation division. He explained that the state had hired Steve Stombaugh who would oversee the consolidated aviation division which would be under the authority of IDOA. The excess and underused aircraft would be sold. The initial funding for the new division would come from ISP, DNR, and INDOT, after many discussions with these agencies.

Steve Stombaugh then discussed how the aircraft would be made available to state government users. He stated that the number of aircraft and the locations housing the aircraft would be reduced creating more efficiencies. The request made today to transfer funds is to transfer

money that has already been appropriated to ISP, DNR, and INDOT into the new division for the time remaining in Fiscal Year 2006.

Auditor Nass asked for the history of how the state has used its aircraft fleet. Mr. Stombaugh explained the skills held by the employees involved and the type of aircraft used by each agency. Director Schalliol stated that initially there would not be a cost savings but that this would come over time. The key is to have better service and continued safe travel while also saving money. He also described the method that state government users would be charged, which would be for the aviation division to cover fixed costs and users to pay for variable or “competitive” costs. Treasurer Berry asked whether the state had any other aircraft than that involved in this transfer and Mr. Stombaugh answered in the negative.

Auditor Nass moved to order the transfer of funds from ISP, DNR, and INDOT in the amounts held currently in their aviation activity accounts [fund/centers 1000/103000 (\$118,704.00), 4600/100400 (\$7,056.00), and 3010/110000 (\$191,000.00)] to the new aviation division (fund/center 5220/106700), Treasurer Berry seconded the motion, and the motion was unanimously approved. It is understood that additional transfer of funds will be necessary to support aviation division personnel and Fiscal Year 2007 operations.

#### **APPROVAL OF MEETING SCHEDULE**

Director Schalliol stated that the Board members now had a copy of the meeting schedule for 2006 since it was attached to the agenda for the meeting. Treasurer Berry pointed out that the meetings scheduled for March, June, September, and December would include the desegregation distributions and that if there was nothing on the agenda for the other months, those meetings could be cancelled.

#### **NEW OR OTHER BUSINESS**

Auditor Nass referenced a news release stating that the state was providing funds to the Bass Pro Shop being developed in Portage and asked whether the Board should consider the request of the City of Hammond to approve a STIF project for Cabela’s in Hammond. Director Schalliol stated that he understood that the IEDC was looking into ways that the state could assist Cabela’s with its proposed Hammond development. Auditor Nass asked whether the Board could receive an update on this topic and Director Schalliol asked Deputy Budget Director Tony Armstrong to look into this matter and report to the Board.

**ADJOURNMENT**

Auditor Nass moved to adjourn the meeting, Treasurer Berry seconded, the motion to adjourn was unanimously approved, and the meeting was adjourned.

/s/ Auditor Connie K. Nass

/s/ Charles E. Schalliol, OMB Director

/s/ Treasurer Tim Berry